

AMERCO /NV/  
Form 10-Q  
November 07, 2012

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended September 30, 2012

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number	Registrant, State of Incorporation, Address and Telephone Number	I.R.S. Employer Identification No.
1-11255	AMERCO (A Nevada Corporation) 1325 Airmotive Way, Ste. 100 Reno, Nevada 89502-3239 Telephone (775) 688-6300	88-0106815

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer

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Non-accelerated filer  (Do not check if a smaller reporting company)      Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes  No

19,607,788 shares of AMERCO Common Stock, \$0.25 par value, were outstanding at November 1, 2012.

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## TABLE OF CONTENTS

	Page
<b>PART I FINANCIAL INFORMATION</b>	
Item 1. Financial Statements	
a) Condensed Consolidated Balance Sheets as of September 30, 2012 (unaudited) and March 31, 2012	1
b) Condensed Consolidated Statements of Operations for the Quarters ended September 30, 2012 and 2011 (unaudited)	2
c) Condensed Consolidated Statements of Operations for the Six Months ended September 30, 2012 and 2011 (unaudited)	3
d) Condensed Consolidated Statements of Comprehensive Income for the Quarters and the Six Months ended September 30, 2012 and 2011 (unaudited)	4
e) Condensed Consolidated Statements of Cash Flows for the Six Months ended September 30, 2012 and 2011 (unaudited)	5
f) Notes to Condensed Consolidated Financial Statements (unaudited)	6
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	38
Q u a n t i t a t i v e   a n d   Q u a l i t a t i v e   D i s c l o s u r e s   A b o u t   M a r k e t	
Item 3. Risk	57
Item 4. Controls and Procedures	58
<b>PART II OTHER INFORMATION</b>	
Item 1. Legal Proceedings	58
Item 1A. Risk Factors	59
U n r e g i s t e r e d   S a l e s   o f   E q u i t y   S e c u r i t i e s   a n d   U s e   o f	
Item 2. Proceeds	59
D e f a u l t s   U p o n   S e n i o r	
Item 3. Securities	59
Item 4. Mine Safety Disclosures	59
Item 5. Other Information	59
Item 6. Exhibits	59

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## PART I FINANCIAL INFORMATION

## ITEM 1. Financial Statements

## AMERCO AND CONSOLIDATED ENTITIES

## CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2012	March 31, 2012
	(Unaudited)	
	(In thousands, except share data)	
<b>ASSETS</b>		
Cash and cash equivalents	\$ 645,821	\$ 357,180
Reinsurance recoverables and trade receivables, net	264,563	297,974
Inventories, net	58,659	58,735
Prepaid expenses	41,444	41,858
Investments, fixed maturities and marketable equities	904,446	766,792
Investments, other	293,585	258,551
Deferred policy acquisition costs, net	79,868	63,914
Other assets	103,498	120,525
Related party assets	173,505	316,157
	2,565,389	2,281,686
Property, plant and equipment, at cost:		
Land	309,654	281,140
Buildings and improvements	1,130,852	1,087,119
Furniture and equipment	310,516	308,120
Rental trailers and other rental equipment	293,735	255,010
Rental trucks	2,008,602	1,856,433
	4,053,359	3,787,822
Less: Accumulated depreciation	(1,481,784)	(1,415,457)
Total property, plant and equipment	2,571,575	2,372,365
Total assets	\$ 5,136,964	\$ 4,654,051
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 372,756	\$ 335,326
Notes, loans and leases payable	1,556,891	1,486,211
Policy benefits and losses, claims and loss expenses payable	1,128,929	1,145,943
Liabilities from investment contracts	395,620	240,961
Other policyholders' funds and liabilities	11,403	7,273
Deferred income	30,886	31,525
Deferred income taxes	404,558	370,992
Total liabilities	3,901,043	3,618,231
Commitments and contingencies (notes 4, 8, 9 and 10)	-	-
Stockholders' equity:		

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Series preferred stock, with or without par value, 50,000,000 shares authorized:		
Series A preferred stock, with no par value, 6,100,000 shares authorized;		
6,100,000 shares issued and none outstanding as of September 30 and March 31, 2012	-	-
Series B preferred stock, with no par value, 100,000 shares authorized; none issued and outstanding as of September 30 and March 31, 2012		
	-	-
Series common stock, with or without par value, 150,000,000 shares authorized:		
Series A common stock of \$0.25 par value, 10,000,000 shares authorized; none issued and outstanding as of September 30 and March 31, 2012		
	-	-
Common stock of \$0.25 par value, 150,000,000 shares authorized; 41,985,700 issued and 19,607,788 outstanding as of September 30 and March 31, 2012		
	10,497	10,497
Additional paid-in capital	435,376	433,743
Accumulated other comprehensive loss	(35,552 )	(45,436 )
Retained earnings	1,505,332	1,317,064
Cost of common shares in treasury, net (22,377,912 shares as of September 30 and March 31, 2012)		
	(525,653 )	(525,653 )
Cost of preferred shares in treasury, net (6,100,000 shares as of September 30 and March 31, 2012)		
	(151,997 )	(151,997 )
Unearned employee stock ownership plan shares	(2,082 )	(2,398 )
Total stockholders' equity	1,235,921	1,035,820
Total liabilities and stockholders' equity	\$5,136,964	\$4,654,051

The accompanying notes are an integral part of these condensed consolidated financial statements.

## AMERCO AND CONSOLIDATED ENTITIES

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Quarter Ended September 30,	
	2012	2011
	(Unaudited)	
	(In thousands, except share and per share amounts)	
<b>Revenues:</b>		
Self-moving equipment rentals	\$ 538,361	\$ 511,626
Self-storage revenues	37,978	34,008
Self-moving and self-storage products and service sales	61,730	59,768
Property management fees	4,902	4,826
Life insurance premiums	47,667	46,197
Property and casualty insurance premiums	8,947	8,749
Net investment and interest income	13,053	15,901
Other revenue	28,679	22,106
Total revenues	741,317	703,181
<b>Costs and expenses:</b>		
Operating expenses	310,214	294,340
Commission expenses	68,564	64,049
Cost of sales	30,912	32,446
Benefits and losses	45,672	44,462
Amortization of deferred policy acquisition costs	3,088	2,675
Lease expense	29,591	32,712
Depreciation, net of (gains) on disposals of ((\$5,532) and (\$7,917), respectively)	58,954	48,064
Total costs and expenses	546,995	518,748
Earnings from operations	194,322	184,433
Interest expense	(22,113 )	(22,963 )
Pretax earnings	172,209	161,470
Income tax expense	(62,789 )	(60,459 )
Net earnings	109,420	101,011
Less: Preferred stock dividends	-	164
Earnings available to common shareholders	\$ 109,420	\$ 101,175
Basic and diluted earnings per common share	\$ 5.61	\$ 5.20
Weighted average common shares outstanding: Basic and diluted	19,512,550	19,470,948

Related party revenues for the second quarter of fiscal 2013 and 2012, net of eliminations, were \$8,241 thousand and \$11,050 thousand, respectively.

Related party costs and expenses for the second quarter of fiscal 2013 and 2012, net of eliminations, were \$13,922 thousand and \$12,645 thousand, respectively.

The accompanying notes are an integral part of these condensed consolidated financial statements.



## AMERCO AND CONSOLIDATED ENTITIES

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Six Months Ended September 30,	
	2012	2011
	(Unaudited)	
	(In thousands, except share and per share amounts)	
<b>Revenues:</b>		
Self-moving equipment rentals	\$ 1,005,355	\$ 958,174
Self-storage revenues	72,714	65,836
Self-moving and self-storage products and service sales	128,908	124,146
Property management fees	9,762	9,561
Life insurance premiums	94,093	97,196
Property and casualty insurance premiums	16,190	15,647
Net investment and interest income	25,310	33,164
Other revenue	54,401	42,422
<b>Total revenues</b>	<b>1,406,733</b>	<b>1,346,146</b>
<b>Costs and expenses:</b>		
Operating expenses	593,607	566,315
Commission expenses	129,671	121,001
Cost of sales	63,139	65,224
Benefits and losses	91,750	94,392
Amortization of deferred policy acquisition costs	5,899	7,050
Lease expense	62,387	66,946
Depreciation, net of (gains) on disposals of ((\$13,048) and (\$17,627), respectively)	115,079	92,422
<b>Total costs and expenses</b>	<b>1,061,532</b>	<b>1,013,350</b>
Earnings from operations	345,201	332,796
Interest expense	(45,604 )	(45,596 )
Pretax earnings	299,597	287,200
Income tax expense	(109,608 )	(107,966 )
Net earnings	189,989	179,234
Less: Excess of redemption value over carrying value of preferred shares redeemed	-	(5,908 )
Less: Preferred stock dividends	-	(2,913 )
Earnings available to common shareholders	\$ 189,989	\$ 170,413
Basic and diluted earnings per common share	\$ 9.74	\$ 8.75
Weighted average common shares outstanding: Basic and diluted	19,507,456	19,465,530

Related party revenues for the first six months of fiscal 2013 and 2012, net of eliminations, were \$16,922 thousand and \$21,954 thousand, respectively.

Related party costs and expenses for the first six months of fiscal 2013 and 2012, net of eliminations, were \$26,212 thousand and \$23,914 thousand, respectively.



The accompanying notes are an integral part of these condensed consolidated financial statements.

3

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## AMERCO AND CONSOLIDATED ENTITIES

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

Quarter Ended September 30, 2012	Pre-tax	Tax (Unaudited)	Net
		(In thousands)	
Comprehensive income:			
Net earnings	\$ 172,209	\$(62,789 )	\$ 109,420
Other comprehensive income (loss):			
Foreign currency translation	3,459	-	3,459
Unrealized gain on investments	10,673	(3,769 )	6,904
Change in fair value of cash flow hedges	768	(292 )	476
Total comprehensive income	\$ 187,109	\$(66,850 )	\$ 120,259